



House of Representatives

General Assembly

File No. 383

January Session, 2001

Substitute House Bill No. 6939

House of Representatives, April 19, 2001

The Committee on Human Services reported through REP. GERRATANA of the 23rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT PROMOTING ADMINISTRATIVE EFFICIENCY IN
ASSISTANCE PROGRAMS FUNDED OR ADMINISTERED BY THE
DEPARTMENT OF SOCIAL SERVICES, ESTABLISHING AN EARNED
INCOME CREDIT AGAINST THE PERSONAL INCOME TAX AND
CONCERNING THE TEMPORARY FAMILY ASSISTANCE PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) Any person who qualifies for and claims the earned
- 2 income credit allowable under Section 32 of the Internal Revenue Code
- 3 of 1986, or any subsequent corresponding internal revenue code of the
- 4 United States, as from time to time amended, for any taxable year shall
- 5 be entitled to a credit in determining the amount of tax liability under
- 6 chapter 229 of the general statutes for such taxable year. The credit
- 7 allowed under this section shall equal ten per cent of the credit allowed
- 8 under Section 32 of said Internal Revenue Code for the taxable year. If
- 9 the amount of the credit allowed under this section exceeds the
- 10 taxpayer's liability, the Commissioner of Revenue Services shall treat
- 11 such excess as an overpayment and shall pay the taxpayer the amount of

12 such excess, without interest.

13 Sec. 2. (NEW) The Commissioner of Social Services shall designate
14 ____ per cent of the moneys received under the temporary assistance for
15 needy families block grant for purposes of funding the earned income
16 credit established under section 1 of this act.

17 Sec. 3. (NEW) (a) The council established to monitor the
18 implementation of the temporary family assistance program and the
19 employment services program pursuant to section 17b-29 of the general
20 statutes, in conjunction with the Department of Social Services, shall (1)
21 review the application forms for all assistance programs which are
22 funded or administered in whole or in part by said department and for
23 which a recipient of temporary family assistance may be eligible, and (2)
24 make recommendations to streamline or consolidate such application
25 forms.

26 (b) Not later than February 1, 2002, the council shall submit a report
27 of its findings and recommendations to the joint standing committee of
28 the General Assembly having cognizance of matters relating to human
29 services.

30 Sec. 4. Section 17b-60 of the general statutes is repealed and the
31 following is substituted in lieu thereof:

32 An aggrieved person authorized by law to request a fair hearing on
33 a decision of the Commissioner of Social Services or the conservator of
34 any such person on [his] behalf of such person may make application
35 for such hearing in writing over his or her signature to the
36 commissioner and shall state in such application in simple language
37 the reasons why he or she claims to be aggrieved. Such application
38 shall be mailed to the commissioner within sixty days after the
39 rendition of such decision. The commissioner shall thereupon hold a
40 fair hearing within thirty days from receipt thereof and shall, at least
41 ten days prior to the date of such hearing, mail a notice, giving the

42 time and place thereof, to such aggrieved person, or if the application
43 concerns [a denial of or failure to provide emergency housing] an
44 urgent, unmet need, the commissioner shall hold a fair hearing within
45 [four] seven business days from receipt thereof, and shall make all
46 reasonable efforts to provide notice of the time and place of the fair
47 hearing to such aggrieved person at least [one] three business [day]
48 days prior to said hearing. A reasonable period of continuance may be
49 granted for good cause. The aggrieved person shall appear personally
50 at the hearing, unless his or her physical or mental condition precludes
51 appearing in person, and may be represented by an attorney or other
52 authorized representative. A stenographic or mechanical record shall
53 be made of each hearing, but need not be transcribed except (1) in the
54 event of an appeal from the decision of the hearing officer or (2) if a
55 copy is requested by the aggrieved person, in either of which cases it
56 shall be furnished by the Commissioner of Social Services without
57 charge. The Commissioner of Social Services and any person
58 authorized by [him] said commissioner to conduct any hearing under
59 the provisions of this section shall have power to administer oaths and
60 take testimony under oath relative to the matter of the hearing and
61 may subpoena witnesses and require the production of records, papers
62 and documents pertinent to such hearing. No witness under subpoena
63 authorized to be issued by the provisions of this section shall be
64 excused from testifying or from producing records, papers or
65 documents on the ground that such testimony or the production of
66 such records or other documentary evidence would tend to
67 incriminate [him] such witness, but such evidence or the records or
68 papers so produced shall not be used in any criminal proceeding
69 against him or her. If any person disobeys such process or, having
70 appeared in obedience thereto, refuses to answer any pertinent
71 question [put to him] by the commissioner or [his] the commissioner's
72 authorized agent or to produce any records and papers pursuant
73 thereto, the commissioner or [his] such agent may apply to the
74 superior court for the judicial district of Hartford or for the judicial

75 district wherein the person resides, or to any judge of said court if the
76 same is not in session, setting forth such disobedience to process or
77 refusal to answer, and said court or such judge shall cite such person to
78 appear before said court or such judge to answer such question or to
79 produce such records and papers and, upon [his] refusal to do so, shall
80 commit such person to a community correctional center until [he] such
81 person testifies, but not for a longer period than sixty days.
82 Notwithstanding the serving of the term of such commitment by any
83 person, the commissioner or [his] the commissioner's authorized agent
84 may proceed with such inquiry and examination as if the witness had
85 not previously been called upon to testify. Officers who serve
86 subpoenas issued by the commissioner or under [his] the authority of
87 the commissioner and witnesses attending hearings conducted by
88 [him] the commissioner hereunder shall receive like fees and
89 compensation as officers and witnesses in the courts of this state to be
90 paid on vouchers of the commissioner on order of the Comptroller. For
91 the purposes of this section, "urgent, unmet need" includes a denial of
92 or failure to provide emergency housing, a denial of or failure to
93 provide food stamps where the household meets the criteria for
94 processing on an expedited basis, a denial of or failure to process an
95 application for cash assistance under the temporary family assistance
96 program including extensions, a denial of or failure to process an
97 application for medical assistance, or a denial of or failure to provide,
98 in a timely manner, medical services.

99 Sec. 5. Subsection (a) of section 17b-61 of the general statutes is
100 repealed and the following is substituted in lieu thereof:

101 (a) Not later than sixty days after such hearing, or [three] seven
102 business days if the hearing concerns [a denial of or failure to provide
103 emergency housing] an urgent, unmet need, as defined in section 17b-
104 60, as amended by this act, the commissioner or [his] a designated
105 hearing officer shall render a final decision based upon all the evidence
106 introduced [before him] and applying all pertinent provisions of law,

107 regulations and departmental policy, and such final decision shall
108 supersede the decision made without a hearing, provided final
109 definitive administrative action shall be taken by the commissioner or
110 [his] such designee within ninety days after the request of such hearing
111 pursuant to section 17b-60. Notice of such final decision shall be given
112 to the aggrieved person by mailing [him] a copy thereof within one
113 business day of its rendition. Such decision after hearing shall be final
114 except as provided in subsections (b) and (c) of this section.

115 Sec. 6. Section 17b-112 of the general statutes is repealed and the
116 following is substituted in lieu thereof:

117 (a) The Department of Social Services shall administer a temporary
118 family assistance program under which cash assistance shall be
119 provided to eligible families in accordance with the temporary
120 assistance for needy families program, established pursuant to the
121 Personal Responsibility and Work Opportunity Reconciliation Act of
122 1996. Under the temporary family assistance program, benefits shall be
123 provided to a family for not longer than twenty-one months, except as
124 provided in subsections (b) and [(c)] (d) of this section. For the purpose
125 of calculating said twenty-one-month time limit, months of assistance
126 received on and after January 1, 1996, pursuant to time limits under
127 the aid to families with dependent children program, shall be
128 included. For purposes of this section, "family" means one or more
129 individuals who apply for or receive assistance together under the
130 temporary family assistance program.

131 (b) The Commissioner of Social Services shall exempt a family from
132 such time-limited benefits for circumstances including, but not limited
133 to: (1) A family with a needy caretaker relative who is incapacitated or
134 of an advanced age, as defined by the commissioner, if there is no
135 other nonexempt caretaker relative in the household; (2) a family with
136 a needy caretaker relative who is needed in the home because of the
137 incapacity of another member of the household, if there is no other

138 nonexempt caretaker relative in the household; (3) a family with a
139 caretaker relative who is not legally responsible for the dependent
140 children in the household if such relative's needs are not considered in
141 calculating the amount of the benefit and there is no other nonexempt
142 caretaker relative in the household; (4) a family with a caretaker
143 relative caring for a child who is under one year of age and who was
144 born not more than ten months after the family's enrollment if there is
145 no other nonexempt caretaker relative in the household; (5) a family
146 with a pregnant or postpartum caretaker relative if a physician has
147 indicated that such relative is unable to work and there is no other
148 nonexempt caretaker relative in the household; (6) a family with a
149 caretaker relative determined by the commissioner to be unemployable
150 and there is no other nonexempt caretaker relative in the household;
151 and (7) minor parents attending and satisfactorily completing high
152 school or high school equivalency programs.

153 (c) A family who is subject to time-limited benefits shall, for good
154 cause, be excused from failing to participate in a work activity, as
155 defined in section 17b-112a. The Commissioner of Social Services shall
156 make a finding of good cause for failure to participate in a work
157 activity if the family fails to comply with the requirements concerning
158 work activity due to circumstances beyond the control of the family
159 which prevent compliance with such requirements. Such
160 circumstances shall include the unavailability or inaccessibility of safe
161 and adequate child care or the inability to guarantee payment for child
162 care by the Department of Social Services or its contractor.

163 [(c)] (d) A family who is subject to time-limited benefits may
164 petition the Commissioner of Social Services for six-month extensions
165 of such benefits. The commissioner shall grant such an extension to a
166 family who has made a good faith effort to comply with the
167 requirements of the program and despite such effort has a total family
168 income at a level below the payment standard, or has encountered
169 circumstances preventing employment including, but not limited to:

170 (1) Domestic violence or physical harm to such family's children; or (2)
171 other circumstances beyond such family's control. [Earned income
172 counting towards total family income shall have ninety dollars
173 disregarded.] When calculating total family income, the commissioner
174 shall disregard ninety dollars of earned income. Such family shall be
175 notified by the department of the right to petition for such extensions.
176 A family who is ineligible for six-month extensions based on a lack of
177 good faith effort to seek and maintain employment shall be eligible for
178 such extensions so long as the nonexempt caretaker relative has
179 earnings of at least five hundred dollars in any consecutive three-
180 month period since discontinuance from the program. A family who is
181 ineligible for such extensions based on the receipt of sanctions or a
182 determination that such family has not made a good faith effort to seek
183 and maintain employment and who did not appeal such sanctions or
184 determination pursuant to section 17b-60, as amended by this act, may
185 request and shall receive a review of such sanctions or determination
186 by the commissioner. The commissioner shall conduct such review and
187 notify the family, in writing, of any findings within thirty days of
188 receipt of the request for review. If the commissioner overturns such
189 sanctions or determination after such review, such family shall be
190 granted such extensions provided it is otherwise eligible. If the
191 commissioner upholds such sanctions or determination, such family
192 may request and shall be provided a fair hearing in accordance with
193 section 17b-60, as amended by this act.

194 [(d)] (e) Medicaid eligibility shall be extended for two years to a
195 family who becomes ineligible for cash assistance while employed or a
196 family with an adult who, within six months of becoming ineligible,
197 becomes employed.

198 [(e)] (f) Under said program (1) no family shall be eligible that has
199 total gross earnings exceeding the federal poverty level, however, in
200 the calculation of the benefit amount for eligible families and
201 previously eligible families that become ineligible temporarily because

202 of receipt of workers' compensation benefits by a family member who
203 subsequently returns to work immediately after the period of receipt of
204 such benefits, earned income shall be disregarded up to the federal
205 poverty level; (2) the increase in benefits to a family in which an infant
206 is born after the initial ten months of participation in the program shall
207 be limited to an amount equal to fifty per cent of the average
208 incremental difference between the amounts paid per each family size;
209 and (3) a disqualification penalty shall be established for failure to
210 cooperate with the biometric identifier system.

211 [(f)] (g) A family receiving assistance under said program shall
212 cooperate with child support enforcement, under title IV-D of the
213 Social Security Act. A family shall be ineligible for benefits for failure
214 to cooperate with child support enforcement.

215 [(g)] (h) A family leaving assistance at the end of said twenty-one-
216 month time limit, including a family with income above the payment
217 standard, shall have an interview for the purpose of being informed of
218 services that may continue to be available to such family, including
219 employment services available through the Labor Department. Said
220 interview shall contain a determination of benefits available to said
221 family provided by the Department of Social Services. Said interview
222 shall also include a determination of whether such family is eligible for
223 food stamps or Medicaid. Information and referrals shall be made to
224 such a family for services and benefits including, but not limited to, the
225 earned income tax credit, rental subsidies emergency housing,
226 employment services and energy assistance.

227 [(h)] (i) An applicant or recipient of temporary family assistance
228 who is adversely affected by a decision of the Commissioner of Social
229 Services may request and shall be provided a hearing in accordance
230 with section 17b-60.

231 [(i)] (j) The commissioner may continue to operate under all or
232 portions of the federal waivers granted under Section 1115 of the Social

233 Security Act for the demonstration entitled "Reach For Jobs First".
234 Notwithstanding continuation of the provisions of said federal
235 waivers, the commissioner shall continue the evaluation of the
236 effectiveness of the temporary family assistance program and may
237 continue to utilize a control group using different program
238 requirements.

239 [(j)] (k) The commissioner shall report, annually on or before
240 November fifteenth, to the joint standing committees of the General
241 Assembly having cognizance of matters relating to human services and
242 appropriations and the budgets of state agencies on the funding
243 requirements necessary to support the programs funded by the
244 temporary assistance for needy families block grant.

245 [(k)] (l) The Commissioner of Social Services shall implement
246 policies and procedures necessary for the purposes of this section
247 while in the process of adopting such policies and procedures in
248 regulation form, provided the commissioner prints notice of intention
249 to adopt the regulations in the Connecticut Law Journal within twenty
250 days of implementing such policies and procedures. Final regulations
251 shall be submitted to the legislative regulation review committee no
252 later than November 15, 1997. Policies and procedures implemented
253 pursuant to this subsection shall be valid until the time final
254 regulations are effective.

255 Sec. 7. Subsection (a) of section 17b-112b of the general statutes is
256 repealed and the following is substituted in lieu thereof:

257 (a) An applicant or recipient who is a past or present victim of
258 domestic violence or at risk of further domestic violence, pursuant to
259 subsection (c) of section 17b-112a, shall, for good cause: (1) Be excused
260 from failing to participate in a work activity; or (2) be exempted from
261 child support enforcement requirements pursuant to subsection [(f)]
262 (g) of section 17b-112, as amended by this act. Such an applicant or
263 recipient may, for good cause, be granted an extension of cash

264 assistance beyond twenty-one months, provided the domestic violence
265 experienced is of sufficient magnitude to reasonably render the
266 individual unable to obtain or maintain employment.

267 Sec. 8. Section 17b-112e of the general statutes is repealed and the
268 following is substituted in lieu thereof:

269 (a) The Department of Social Services shall provide safety net
270 services for certain families no longer receiving benefits or who are at
271 risk of losing benefits under the temporary family assistance program.
272 Such families include those who are not eligible for six-month
273 extensions of benefits due to: (1) The receipt of two sanctions from the
274 department during the first twenty months of the twenty-one-month
275 time limit of said temporary family assistance program, or (2) the
276 determination by the department that such a family has not made a
277 good-faith effort to seek and maintain employment.

278 (b) Said safety net shall consist of services provided through the
279 existing community service delivery network with additional
280 resources provided by the Department of Social Services. Services shall
281 be provided in-kind or through vendor or voucher payment. Services
282 may include the following: (1) Food, shelter, clothing and employment
283 assistance; (2) eviction prevention; (3) intensive case management; (4)
284 continuous monitoring for child abuse or neglect; [and] (5) for families
285 at risk of losing benefits under the temporary family assistance
286 program, individual performance contracts requiring job training, job
287 searching, volunteer work, participation in parenting programs or
288 counseling or any other requirements deemed necessary by the
289 Commissioner of Social Services; (6) for families at risk of being denied
290 a six-month extension of benefits based on a lack of good-faith effort to
291 seek and maintain employment due to the loss of employment in the
292 twenty-first month of the temporary family assistance program,
293 individual performance contracts as specified in subdivision (5) of this
294 subsection; and (7) for families at risk of being denied a six-month

295 extension of benefits based on a lack of good-faith effort to seek and
296 maintain employment and who have not previously completed an
297 individual performance contract as specified in subdivision (5) of this
298 subsection, individual performance contracts as specified in said
299 subdivision.

300 (c) Families successfully meeting the program requirements
301 established by the individual performance contracts in subdivision (5)
302 of subsection (b) of this section prior to the end of the twenty-one-
303 month time limit shall be considered to have made a good faith effort
304 to comply with the requirements of the program for the purposes of
305 qualifying for a six-month extension, provided they have made a good
306 faith effort to comply with the individual performance contract or have
307 not incurred a sanction subsequent to completing the individual
308 performance contract. Families described in subdivisions (6) and (7) of
309 subsection (b) of this section who have substantially complied with the
310 individual performance contract in subdivision (5) of subsection (b) of
311 this section not later than thirty days after entering into such contract
312 shall be considered to have made a good-faith effort to comply with
313 the requirements of the program for the purposes of qualifying for a
314 six-month extension.

315 (d) The Commissioner of Social Services shall implement policies
316 and procedures necessary for the purposes of this section while in the
317 process of adopting such policies and procedures in regulation form,
318 provided the commissioner prints notice of intention to adopt the
319 regulations in the Connecticut Law Journal within twenty days of
320 implementing such policies and procedures. Final regulations shall be
321 submitted to the legislative regulation review committee no later than
322 November 15, 1997. Policies and procedures implemented pursuant to
323 this subsection shall be valid until the time final regulations are
324 effective.

325 Sec. 9. (a) The joint standing committee of the General Assembly

326 having cognizance of matters relating to human services shall conduct
327 a study to determine the circumstances and prospects of families that
328 formerly received benefits under the temporary family assistance
329 program established under section 17b-112 of the general statutes, as
330 amended by this act. Not later than January 1, 2002, said committee
331 shall submit a report of its findings and recommendations to the
332 General Assembly.

333 (b) The sum of ____ dollars is appropriated to the joint committee
334 on legislative management, from the General Fund, for the fiscal year
335 ending June 30, 2002, for use by the joint standing committee of the
336 General Assembly having cognizance of matters relating to human
337 services in conducting the study required by subsection (a) of this
338 section.

339 Sec. 10. This act shall take effect from its passage and section 1 shall
340 be applicable to taxable years commencing on or after January 1, 2001,
341 except that section 9 shall take effect July 1, 2001, and sections 4 to 8,
342 inclusive, shall take effect October 1, 2001.

HS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Affected Agencies: Departments of Revenue Services, Social Services, Office of Legislative Management

Municipal Impact: None

Explanation**State Impact:**

Section 1 of this bill provides for a state Earned Income Tax Credit (EITC) equal to 10% of the federal EITC and is expected to result in a General Fund revenue loss (increase in refunds) of approximately \$22.5 million beginning in FY02. In addition to the revenue loss, the Department of Revenue Services is anticipated to incur costs associated with administering the EITC of approximately \$225,000, beginning in FY02.

Section 2 of this bill requires the Department of Social Services (DSS) to designate an unspecified percentage of funds received under the temporary assistance for needy families (TANF) block grant to fund the EITC. As all TANF funds are currently spent annually, any such diversion would require additional state funds to be appropriated to cover ongoing expenditures in programs currently funded by TANF. Based on the above EITC estimate, this would cost approximately \$22.5 million annually.

Section 3 requires the council established to monitor the Temporary Family Assistance (TFA) program to review current DSS application forms and submit its findings and recommendation to the General Assembly. It is expected that the agencies involved in the council can fulfill this requirement within their anticipated budgetary resources.

Sections 4 and 5 of the bill increase the circumstances under which DSS must hold expedited fair hearings. This change may result in increased costs to DSS if the department must hire additional administrative hearing officers to accommodate any additional cases. If the department does not need to hire additional officers, it is likely that delays in fair hearings for those cases that are not eligible for expedited hearings may result, as the department would have to dedicate administrative resources to accommodate the increase in the expedited fair hearing caseload.

Sections 6 through 8 of the bill implement various changes that make it easier for certain TFA families to meet program requirements and continue to receive benefits. As it is not known how many cases would be able to continue to receive benefits due to these sections, the fiscal impact cannot be determined. During FY00, a total of 23,296 cases left the TFA program for reasons other than voluntary closure or having income over the allowed limits. Based on the FY00 average monthly payment of \$454, the total annual cost of these cases that left the TFA program would be \$126.9 million. Therefore, if the provisions included in these sections succeed in continuing benefits to even a fraction of these cases, a significant cost to the state would result.

Section 9 requires the Human Services Committee to conduct a study regarding the TFA program. The bill does not specify the amount to be appropriated to Legislative Management to conduct this study. sHB 6668 (the budget bill, as favorably reported by the Appropriations Committee) does not include additional funding in Legislative Management for the specific use of the Human Services

Committee to conduct a study. To the extent that the Human Services Committee does not contract out for this study and conducts it within the members and staff, then a potential minimal cost may result due to mileage reimbursement to legislators. Currently, legislators are reimbursed 30 cents per mile. Considering that legislators may be traveling to the Capitol on other legislative business, any additional cost due to an increased number of reimbursed trips could be handled within the anticipated budgetary resources of the department. In addition, as a result of the increased responsibility to the legislative administrative staff assigned to this study, a reallocation of workload may result.

OLR BILL ANALYSIS

sHB 6939

AN ACT PROMOTING ADMINISTRATIVE EFFICIENCY IN ASSISTANCE PROGRAMS FUNDED OR ADMINISTERED BY THE DEPARTMENT OF SOCIAL SERVICES, ESTABLISHING AN EARNED INCOME CREDIT AGAINST THE PERSONAL INCOME TAX AND CONCERNING THE TEMPORARY FAMILY ASSISTANCE PROGRAM.**SUMMARY:**

This bill:

1. creates a state earned income tax credit for lower-income working people equal to 10% of their federal earned income tax credit and requires the Department of Social Services (DSS) commissioner to designate an unspecified percentage of the state's federal Temporary Assistance to Needy Families (TANF) block grant money to fund the credit;
2. expands the subject matter of expedited hearings and gives DSS more time to provide notice of, hear, and decide all expedited cases.
3. makes lack of available safe and adequate child care and DSS's inability to guarantee payment for child care reasons to excuse families receiving time-limited Temporary Family Assistance (TFA) benefits from required work activities;
4. makes more TFA families eligible to receive six-month extensions beyond the 21-month time limit on benefits and affords them additional opportunities for reviews and hearings on denials;
5. gives certain TFA families at risk of being denied a six-month extension an opportunity to gain the extension by completing an individual performance contract;

6. requires (a) the Human Services Committee to conduct a study to determine former TFA recipients' current circumstances and prospects and (b) the TANF Council, in conjunction with DSS, to review application forms for DSS-funded assistance programs for which a TFA recipient may be eligible and make recommendations for streamlining or consolidating them; and
7. makes of technical changes.

EFFECTIVE DATE: Upon passage for the earned income credit (except the credit is applicable to tax years beginning on or after January 1, 2001), the designation of TANF funds for the credit, and the TANF council's review of applications; July 1, 2001 for the Human Services Committee study; and October 1, 2001 for the provisions concerning (1) hearings on unmet, urgent needs; (2) lack of child care; and (3) six-month extensions for families at risk of losing benefits.

EARNED INCOME TAX CREDIT

The bill gives people who qualify for a federal earned income tax credit (EITC) a credit against their state income tax liability equal to 10% of their federal credit. If the state credit exceeds the taxpayer's state income tax liability, the bill requires the DRS commissioner to refund the difference to the taxpayer. Refunds must be treated the same as other income tax refunds, except that they are not subject to the 0.66% monthly interest the state pays on late tax refunds.

Under federal law, people who work and earn incomes below certain levels qualify for refundable credits against their federal tax liability. Maximum qualifying incomes and credit amounts vary according to income and the number of children in the household and are adjusted annually for inflation.

For the 2000 tax year, the limits are:

Children	Income Limit	Maximum Credit
None	\$10,380	\$ 353
One	27,413	2,345
Two or more	31,152	3,888

In addition, a taxpayer must have no more than \$2,400 in investment income and his filing status must be married filing jointly, head of household, qualifying widow(er), or single. If a nonresident alien, the taxpayer must be married to a US citizen and file jointly with that person.

DSS APPEALS FOR DENIALS OF URGENT, UNMET NEEDS

By law, DSS must hold a hearing on denial of emergency housing within four days after receiving a request from an aggrieved party and after at least one day's prior notice. All other hearings are held within 30 days after the request and with at least 10 days notice.

The bill expands the types of cases that DSS must hear at the expedited hearings to include all urgent, unmet needs. But it (1) delays the time for all expedited hearings from four to seven days after the request and (2) extends the notice requirement from one to three days and the time for rendering a decision from three to seven days. (After an ordinary hearing, the commissioner has 60 days to render a final decision.)

The bill defines "urgent, unmet need" as including not only a denial of or failure to provide emergency housing, but also a denial of or failure to:

1. provide food stamps where the household meets the criteria for expedited processing;
2. process a cash assistance application under the TFA program, including extensions;
3. process a medical assistance application; or
4. provide medical service in a timely manner.

In effect, the bill speeds up the timetable for these four categories, because it removes them from the regular hearing category and places them in the expedited category.

CHILD CARE EXEMPTIONS

The DSS commissioner may offer TFA for up to 21 months. People who get these time-limited benefits must participate in work activity.

The bill requires DSS to excuse a family subject to time-limited benefits from a required work activity if it makes a good cause finding that circumstances beyond the family's control prevent it from complying. Under the bill, unavailable or inaccessible safe and adequate child care and DSS's or its contractor's inability to guarantee payment for child care are examples of such circumstances beyond the family's control. DSS policy currently allows an exemption for situations where appropriate child care is not available within a reasonable distance from the person's home or work site. Appropriate child care means care that meets specified health and safety standards (DSS Uniform Policy Manual § 8530.60).

SIX-MONTH TFA EXTENSIONS

Current law allows families subject to the 21-month time-limited benefits to petition the DSS commissioner for six-month extensions. The commissioner must grant such an extension if a family (1) has made a good faith effort to comply with the work requirement and, despite the effort, has a total family income below the cash assistance payment or (2) has encountered circumstances preventing employment, such as domestic violence, physical harm to the family's children, or other matters beyond the family's control.

The bill makes an otherwise ineligible family eligible for a six-month extension if the relative responsible for the children's care is required to work and has earned at least \$500 in any three-month period since being dropped from the program.

The bill also allows a family that is ineligible for such extensions because it has received sanctions or a determination that the family has not made a good faith effort and that did not previously appeal the sanctions or determination to request the commissioner to review them. The commissioner must conduct the review and notify the family, in writing, of any findings within 30 days of receiving the request. If the commissioner overturns the sanctions or determination after the review, the family must receive the extension if it is otherwise eligible. If the commissioner upholds the sanctions or determination,

the bill allows the family to request a hearing.

INDIVIDUAL PERFORMANCE CONTRACTS

DSS must currently provide "safety net" services for certain families no longer receiving TFA benefits or who are at risk of losing their benefits. One of the services for families at risk of losing their benefits is an individual performance contract requiring job training, job searching, volunteer work, parenting program participation, counseling, or any other requirements the commissioner deems necessary. The bill extends the opportunity for individual performance contracts to:

1. families at risk of being denied a six-month extension because they lost their jobs in the 21st month of receiving benefits, and
2. other families at risk of being denied the extension based on a lack of good faith effort if they have not previously completed such an individual performance contract.

Under the bill, families in these two categories who substantially comply with their individual performance contracts within 30 days after entering into them must be considered to have made a good faith effort for purposes of qualifying for the six-month extension.

STUDIES

The bill requires the Human Services Committee to conduct a study to determine the circumstances and prospects of families that formerly received TFA benefits. The committee must submit its findings and recommendations to the General Assembly by January 1, 2002. The bill appropriates an unspecified amount from the General Fund to the Legislative Management Committee for FY 2001-02 for the study.

The bill also requires the state's TANF Council, in conjunction with DSS, to (1) review the application forms for all wholly or partially DSS-funded assistance programs for which a TFA recipient may be eligible and (2) make recommendations to streamline or consolidate such application forms. It requires the council to submit a report, by February 1, 2002, on its findings and recommendations to the Human Services Committee.

BACKGROUND

TFA and TANF

The state's Jobs First program provides cash assistance through TFA and medical services through Medicaid to needy families with children. The program also promotes job preparation and work. Eligibility is based on a number of factors such as family income, assets, and age of the children. Individuals receive assistance with child care, transportation, and employment. The program has a general 21-month time limit on cash assistance, with certain exemptions, and requires participants to engage in job search and certain job training activities in the Department of Labor's Employment Services program.

Federal TANF block grants, established under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, partially fund the state's TFA program.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 12 Nay 5